

Public Attachment 2

AIRD & BERLIS LLP

Barristers and Solicitors

Kim M. Kovar
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December 14, 2016

Our File No: 112718

DELIVERED

Abbie Moscovich
Solicitor, Planning & Administrative Tribunal Law
City of Toronto, Legal Services
26th Floor, Metro Hall
55 John St.
Toronto, ON M5V 3C6

Henry Tang
Senior Planner
Community Planning
Toronto City Hall
18th fl. E., 100 Queen St. W.
Toronto, ON M5H 2N2

Dear Ms. Moscovich and Mr. Tang:

**Re: Settlement Offer
Zoning By-law Amendment and Rental Housing Demolition and
Replacement Application
48-54 Power Street and 113-135 Parliament Street, City of Toronto
City File No: 13 181685 STE 28 OZ
Related City File No. 13 181698 STE 28 RH**

We act on behalf of Great Gulf (Power) Ltd., 2407186 Ontario Inc., 2480760 Ontario Inc, GGH (Power) Ltd. and 52 Power Ltd., owners of the above-noted lands, encompassing the block bordered by Parliament Street, Richmond Street East, Power Street and Adelaide Street East in the City of Toronto.

In June 2013, Zoning By-law Amendment and Rental Replacement applications were submitted in order to permit a proposed mixed-use building at 48 Power Street and 125 Parliament Street. Our client had since purchased the remaining lands contained in this block and in November 2015 submitted revised applications which contemplate a mixed-use building containing street related retail uses on the first two storeys with residential uses above and parking provided below grade. The existing building at 125 Parliament Street currently contains 12 rental apartment units and the existing building at 50 Power street contains 3 rental apartment units. All 15 rental units are proposed to be replaced within the newly constructed building.

On June 2, 2016, our client appealed Council's failure to issue a decision respecting the rezoning application within the timeframe set out in subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13 to the Ontario Municipal Board ("OMB").

Throughout this time, our client and its team have participated in an extensive consultation process with City staff, public agencies and interested stakeholders. In response to feedback received, our client has made a number of revisions to its proposal.

The following revisions, as depicted on the attached plans, are reflected in this offer:

1. Revised building form to incorporate two towers above a podium with the maximum height reduced to 71.9 m (22 storeys) and 62.9 m (19 storeys) (excluding 6.5 m mechanical penthouses);
2. Residential gfa has been reduced from 41,142 m² to 38,801 m², and the retail gfa has been reduced from 6,187 m² to 4,023 m². The total gfa has been reduced from 47,329 m² to 42,824 m²;
3. The number of residential units has decreased from 532 to 520 (inclusive of the 15 rental replacement units);
4. Parking spaces have been reduced from 499 spaces to 249 spaces; and
5. A total of 469.4 m² at the southeast portion of the property is proposed to be dedicated for public parkland uses. These lands will be secured with an escrow arrangement and conveyed no later than 2 years following the issuance of the first building permit.
6. A 2.1 m pedestrian clearway having a clearance of 6.5 m has been provided.
7. Balconies and Juliette balconies have been added to the rental replacement units.

In addition to the above:

1. The 469.4 m² park conveyance, which represents an over-dedication beyond the area required pursuant to Section 42 of the *Planning Act* and the City's Municipal Code, will be subject to a limiting distance agreement in consideration for the owner agreeing to regularly maintain the park to baseline park maintenance standards. The owner recognizes that to date the area that will be subject to the limiting distance agreement has not been appraised and as such no value can be assigned to said area. Should the Chief Corporate Officer determine that the value of the limiting distance area is greater than the value of the maintenance, the owner agrees to pay the difference or, alternatively, may elect to pay the value of the limiting distance area and not maintain the park. The land which represents the over-dedication will be excluded from the limiting distance area.
2. The owner will be responsible for above base park improvements for the park, and for establishing a reserve fund to cover major repairs/capital improvements, insofar as Development Charge Credits are provided by the City to cover these items.
3. During the site plan approval process the owner will incorporate a bicycle repair area into the parking garage and will provide a kitchenette and accessible washroom in the expanded rental indoor amenity space.

An Ontario Municipal Board Prehearing Conference is scheduled for this matter on January 23, 2017. Our client is seeking to convert this Prehearing into a Settlement Hearing based on the revisions described in this letter and reflected on the attached plans. This offer updates and replaces the offer described in our earlier letter of November 22, 2016. Accordingly, we are writing to provide the following offer for City Council's consideration at its meeting commencing on December 13, 2016:

1. If City Council supports the revised proposal at its meeting commencing December 13, 2016, our client will formally revise its Zoning By-law appeal before the Ontario Municipal Board and proceed to a hearing on that basis.
2. The parties will ask the OMB to withhold its Order until advised by the City Solicitor that the following conditions are satisfied:
 - a. Finalization of the draft Zoning By-law Amendment, that will substantially be in accordance with the enclosed plans, but may reflect revisions necessitated by the rental housing replacement review, the City's desired reduction in the size of individual retail units, or otherwise, as approved by the Chief Planner;
 - b. The Functional Servicing Report has been revised to the satisfaction of the Executive Director, Engineering and Construction Services and any work required to be completed by the owner, as outlined in the approved report, is satisfactorily secured, to the satisfaction of the Executive Director and the City Solicitor;
 - c. The owner enters into a sanitary discharge agreement for discharging to the sanitary sewer in accordance with Toronto Municipal Code 681-6, By-law No. 868-2010, if required, to the satisfaction of the General Manager of Toronto Water;
 - d. The Transportation Impact Assessment has been revised, and the submission of a traffic mitigation strategy, as necessary, to the satisfaction of the Director of Transportation Services – Toronto and East York District;
 - e. The Pedestrian Wind Study has been revised to the satisfaction of the Chief Planner;
 - f. Conformity to the City of Toronto's Private Tree By-law and City Street Tree By-law, to the satisfaction of the Urban Forestry Supervisor, Tree Protection & Plan Review South, with landscape plans showing street trees on Richmond Street East and Parliament Street, subject to existing utilities, to the satisfaction of the Urban Forestry Supervisor, Tree Protection and Plan Review South and the Chief Planner and Executive Director, City Planning Division;
 - g. The parties have entered into a Section 37 agreement to secure a contribution of \$_____ toward community benefits in the vicinity of the site to the satisfaction of the Chief Planner and Executive Director, City Planning Division, in consultation with the Ward Councillor;
 - h. Council has made a decision on the application under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of Toronto Act to demolish the 15 existing residential rental dwelling units at 125 Parliament Street and 50 Power Street (file no. 13 181698 STE 27); and
 - i. All appropriate conditions associated with the Section 111 permit have been satisfied, including the execution of any necessary agreements.
3. In addition to the contribution toward community benefits referenced in paragraph 2g. above, our client would agree to the following requirements being included in the Section 37 agreement as a legal convenience:

- a. The owner shall construct and maintain the development in accordance with Tier 1 performance measures of the Toronto Green Standard, as adopted by Toronto City Council at its meeting of October 26 and 27, 2009;
 - b. should Council approve a section 111 permit for the site, the owner shall enter into Agreement(s) to secure the conditions of the Section 111 permit and any related conditions;
 - c. terms respecting the parkland conveyance from the owner to the City, including, but not limited to the timing of the conveyance and acceptable condition of the land, terms relating to the limiting distance agreement and terms relating to the park design and maintenance requirements;
 - d. a minimum of 10% of the dwelling units shall be constructed as three bedroom units in compliance with the Ontario Building Code; and
 - e. prior to the issuance of the first building permit, the owner shall submit a Construction Management Plan to the satisfaction of the Chief Planner and Executive Director, City Planning Division, the General Manager of Transportation Services and the Chief Building Official, in consultation with the Ward Councillor.
4. The rental housing replacement package will include terms to the satisfaction of the City including the following:
- a. rents for tenants entering the building in the first 10 years, either as first tenants or returning tenants, will be governed by the Provincial guidelines until the earliest of when they leave or at the end of the 20 year tenure period;
 - b. re-renting in the 10 year period will be at the lower of the last rent paid or the threshold that applied to the unit; and
 - c. moving allowances will be set after discussions with the tenants, but the owner acknowledges that the current best practice is \$1,500.00 for bachelor units and \$2,100.00 for two bedroom units.

Please find enclosed the following revised drawings in support of our client's offer:

1. Architectural Plans and Drawings prepared by Core Architects, dated December 2, 2016 (20 copies):
 - (a) A100 Statistics
 - (b) A100a Toronto Green Standard Statistics Template
 - (c) A102 Aerial View
 - (d) A103 Survey Plan
 - (e) A104 Context Plan
 - (f) A105 Site Plan
 - (g) A200 Level P3
 - (h) A201 Level P2
 - (i) A202 Level P1

- (j) A203 Ground Floor
- (k) A204 Level 2
- (l) A205 Level 3
- (m) A206 Level 4
- (n) A206a Level 5
- (o) A207 Level 6
- (p) A208 Typ. Tower Level 7-15
- (q) A209 Level 16
- (r) A210 Upper Tower Level 17-21
- (s) A211 Mechanical Penthouse
- (t) A212 Roof Plan
- (u) A401 South Elevation
- (v) A402 West Elevation
- (w) A403 North Elevation
- (x) A404 East Elevation
- (y) A405 South Courtyard Elevation
- (z) A406 North Courtyard Elevation
- (aa) A410 Section 1
- (bb) A411 Section A

As noted above, it is our intention that if Council accepts this offer at its meeting commencing on December 13, 2016 we will proceed to the Ontario Municipal Board on the basis of these revisions, subject to any further revisions that are deemed acceptable to the Chief Planner. It is understood that the parties will make reasonable efforts to work together and finalize terms of a draft Zoning By-law which reflects the foregoing prior to the hearing.

Should you have any questions, please do not hesitate to contact the undersigned or Josh Hilburt, Land Use Planner with our office, at 416.865.7706.

Yours truly,

AIRD & BERLIS LLP



Kim M. Kovar
KMK/jh

cc: Client

encl.

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Abbie Moscovich

From: Alan Vihant <alanv@greatgulf.com>
Sent: December-14-16 1:17 PM
To: Abbie Moscovich; Alan Vihant
Cc: Henry (Planning) Tang; Kim Kovar; Tom Davidson
Subject: Re: 48 Power Street

All,
We have settled at \$1.4 million on the Section 37.
Thanks for getting this done everyone!
Best regards,
Alan.

Sent from my BlackBerry - the most secure mobile device - via the Rogers Network

From: Abbie.Moscovich@toronto.ca
Sent: December 14, 2016 12:53 PM
To: alanv@greatgulf.com
Subject: RE: 48 Power Street

Alan – anything?

From: Alan Vihant [mailto:alanv@greatgulf.com]
Sent: December-14-16 12:04 PM
To: Abbie Moscovich; Kim Kovar; Henry (Planning) Tang; Tom Davidson; Alan Vihant
Subject: Re: 48 Power Street

Almost there.....meeting with Pam shortly.

Sent from my BlackBerry - the most secure mobile device - via the Rogers Network

From: Abbie.Moscovich@toronto.ca
Sent: December 14, 2016 11:37 AM
To: kkovar@airdberlis.com; Henry.Tang@toronto.ca; Tom.Davidson@toronto.ca; alanv@greatgulf.com
Subject: RE: 48 Power Street

Thanks Kim.

From: Kim Kovar [mailto:kkovar@airdberlis.com]
Sent: December-14-16 11:24 AM
To: Abbie Moscovich; Henry (Planning) Tang; Tom Davidson; 'Alan Vihant' (alanv@greatgulf.com)
Subject: 48 Power Street

Hi everyone. I've attached the revised version of the settlement offer. I've included a black-lined version compared to the last version sent to Abbie and Henry. There is one remaining black in the letter: the s. 37 amount. I understand that Alan and Tom will settle that number shortly. I have to leave for a meeting so Alan is going to email everyone once the number is settled, and Abbie you are authorized to treat this offer as amended by Alan's email. If you need to attach the letter to your report, I've given you a word version, and you can insert the number in that version. Thanks.

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